

NEVADA ENVIRONMENTAL RESPONSE TRUST

Quarterly Stakeholder Call

1:30 PM PST, August 3, 2016

Attendees:	NDEP:	James (JD) Dotchin, Lisa Fleming, Sandi Gotta
	NV AG:	Micheline Fairbank
	EPA:	Alison Fong
	CAP:	David Johnson, Scott Bryan, Orestes Morfin
	SNWA:	Todd Tietjen
	MWD:	Jill Teraoka, Carol Nagai, Maria Lopez, Betty Kuo, Marcia Scully
	COH:	Brenda Pohlman
	NERT:	Jay Steinberg, Andrew Steinberg, Steve Clough, Mark Hatch
	Ramboll Environ:	Allan DeLorme, John Pekala, Kim Kuwabara, Chris Ritchie
	Tetra Tech:	Derek Amidon, Dan Pastor
	Foley & Lardner LLP:	Tanya O'Neill
	AECOM:	Sally Bilodeau
	Others:	Kirk Stowers, Kurt Fehling

1. Opening remarks. JD Dotchin presented the opening remarks. Jay Steinberg provided an update on the perchlorate source quantification. There was a call in March where DOJ, on behalf of DOD, indicated they felt NERT was treating non-NERT perchlorate and including the related costs in the annual reimbursement claim. DOJ/DOD ultimately agreed in July to continue to pay claims submitted by NERT, as they had done in the past, but reserved their right to challenge the allocation in the future. Jill Teraoka asked if the current perchlorate quantification efforts with AMPAC had halted and Jay confirmed that they had. Jay provided an update on the banking matters. Asset Consulting Group (ACG) had been hired to ensure compliance with the US Bank banking agreement and investment amendment. Jay also indicated that another law firm had been hired to help with the oversight of US Bank (Schiff Hardin).
2. Financial Update. Mark Hatch provided the financial update. The current balance in the equities accounts includes the first 3 installments of the planned 6-month cost averaging plan. It was noted that the total environmental assets held at Northern Trust was at 2.6% and it was anticipated that these funds would be depleted near year-end. Lisa Fleming (NDEP BISC) presented the NERT GW Expenditures. Jill Teraoka asked if most of the spending was due to the AECOM contracts and Lisa confirmed that was the case. Jay Steinberg presented the ACG reports for the period ending 6-30-16. Jay noted that more comprehensive reports were being designed, project account liquidity needs would be updated quarterly and final bank agreements with US Bank were ready to be signed. Andrew Steinberg presented the budget slide and noted that under the NERT-Lead RI and Unit 4 expenditures will be ramping up and only AP-5 project costs through 4/30/16

were included in GWETS projects. The budget amounts as presented did not include the pending Budget Amendment 2016-01 (\$8,800,000).

3. Remedial Investigation. Steve Clough presented the update on specific tasks. Regarding the Study Areas slide, Steve noted that the BMI Common Areas/Eastside Area would be included in the final RI. John Pekala presented the slides on RI Data Gaps, the Phase 2 RI: On-Site, Phase 2 RI: Off-Site, and the RI Summary. The amount shown on page 12 for the Phase 2 RI represents planned activities and the correct amount of Total Analysis should read 28,682, not 128,682. Steve presented the Phase 3 Investigation slide. The initial evaluation of Henderson Legacy Conditions in the area known as BMI Common Area/Eastside Area was requested by NDEP. Andrew Steinberg noted the final outline of the RI area is not fully defined. Jill Teraoka asked if BMI had looked for perchlorate in the BMI Common Areas and JD Dotchin confirmed they had. Allan DeLorme added that BMI was seeking a NFA for the top 10 feet of soil, but not for groundwater. Maria Lopez asked why the BMI Common Areas was being included in the NERT RI. JD responded that after AECOM started its work, discussions were had that determined now was the time to add a Phase 3 to the RI. Maria asked if there would be additional community involvement to which JD responded, absolutely. Dan Pastor presented the Unit 4 update. Dan remarked that the 8 additional borings to be added to investigate tunnels were on the south side of the basement. The picture in the Unit 4 slide clearly showed that the ground floor deck above the basement had been fully removed. Dan proceeded to present the treatability and pilot study update slide and said that the Trust's response to NDEP's comments on both the Seep Area Bioremediation and In-Situ Chromium Treatability Study work plans were submitted to NDEP earlier today (August 3rd, 2016). Steve presented the Program Strategy timelines. Under the section for Treatability and Pilot Studies, Steve noted that the Groundwater Bioremediation Treatability Study is being tailored for a new geological setting, as the technology worked in the prior location. Jill asked if the Groundwater Bioremediation Treatability Study was the longest study because it's the most promising. Steve answered that the task on the schedule is actually comprised of several small studies in different areas which makes the task duration look so long. Jill asked about In-Situ Chromium Pilot Studies and Steve responded that those won't be integrated into the remedy until the Feasibility Study.
4. RI: Downgradient Study Area. The RI: Downgradient Study Area slides were presented by Sally Bilodeau. Steve Clough remarked that the Downgradient Study Area slides relates solely to AECOM's investigation, and does not include the upcoming Eastside Area or any current off-site areas. Andrew Steinberg commented that two AECOM tech memos were forthcoming. Under the initial groundwater sampling task, 86 wells were evaluated during the reconnaissance with 61 wells sampled. Under the initial surface water sampling task, Sally stated that this would replicate the prior sampling at 24 locations. On the slide for Initial Surface Water Sampling Perchlorate Results, Jill Teraoka asked if the large number shown near the Three Kids Weir was due to upwelling. Sally responded that it was part of AECOM's scope to figure this out. On the Geophysical Pilot Test slide, it was noted that only 2 of the 4 areas would be tested.

5. NERT GWETS Status & Continuous Optimization Program. Steve Clough presented the GWETS Status Update and noted the following:

- NPDES Compliance - ETI was putting in additional secondary containment measures;
- GWETS Uptime - a new measurement and was at 99% for YTD 2016;
- Extraction Wells - includes the addition of new pumps; and
- GW-11: Volume - progress was being made in lowering the pond level and increasing the available storage capacity.

Jill Teraoka asked about the third party GWETS audit and how the LS1 would be upgraded per the audit. Steve responded that the LS1 upgrades will be performed as part of the IX treatment system installation. Steve made note that the spike in perchlorate removed from the environment (as shown on slide 33) in October 2012 was due to the previously noted “massive storm”.

6. AP-5 Project Status. Dan Pastor presented the AP-5 Project Status slides. Dan emphasized that safety is the top priority with this project. Dan also noted that there had been a “wind event” but that everything was back on track without any delays to the overall project timeline.
7. NERT Deliverables. Steve Clough presented the NERT Deliverables slides. The RI Data Evaluation Phase 1 Tech memo and Phase II work plan have been submitted. The Unit 4 and 5 Buildings Investigation First Mobilization Tech Memo comments have been received from NDEP. The Weir Dewatering Treatment EE/CA work plan was submitted and approved. The work plan for Soil Removal Action – Parcel C was approved (additional soil removal is necessary for the NFA).
8. Additional Comments/Questions. Jill Teraoka asked if the GW-11 liner was to be replaced. Steve Clough answered that a draft report was being reviewed by the Trust and would be finalized in 2 weeks. NERT was looking at a holistic plan for GW-11, including the liner, and a smaller pond might be sufficient. Jill asked if the 3rd party GWETS audit findings were being addressed. Andrew Steinberg responded that all items were being addressed, either directly or through alternate systems already planned or in place, making some recommendations no longer applicable. The next Stakeholder call to be held on November 2nd.

No further questions so the meeting was adjourned.